(c) During Tenth Five Year Plan, there is a provision of Rs. 1,270 crore, Rs. 19.27 crore and Rs. 257 crore for implementation of Technology Upgradation Fund Scheme (TUFS), Group Workshed Scheme (GWS) and Deen Dayal Hathkargha Protsahan Yojana (DDHPY) respectively.

Steps to encourage foreign participation in Indian textile market

3082. SHRIMATI N.P. DURGA. Will the Minister of TEXTILES be pleased to state:

(a) whether it is true that India and China will become a major textile exporters in the world after the multi fibre agreement which ended on 21.12.2004;

(b) how the Ministry justifies the view of experts that India is expected to grow at the rate of 250%; and

(c) what avenues Government of India are providing to textile ancillary forms of other countries so as to establish themselves in the Indian market?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) As per WTO Agreement on Textiles and Clothing (ATC), the textile quota regime has been phased out and textile sector fully integrated into WTO on 1st January 2005. According to various international studies, China will come to dominate world trade in textiles and clothing in the post quota regime. The foreign buyers who are heavily dependent on China are also keen to find alternate reliable source of supply in the region (India followed by Pakistan) to ensure growth of their business.

(b) According to a recent study by CRISIL (commissioned by Indian Cotton Mills Federation), leap in exports would be driven by the dismantling of the quota system and the consequent opening up of the global markets, offering a distinct opportunity for countries possessing competitive advantages resulting from labour, technology and raw materials. As per the study report, international trade in textiles and clothing will grow at an average annual average growth rate 8% from 2005, as against the average annual growth of 6% in the period 1995 to 2002. As a result, international trade in textiles and clothing is expected to grow from US$ 353 billion in 2002 to US$ 655 billion in 2010. The study report has concluded that the Indian textiles and apparel industry has the potential to double the country's share of the global textile and clothing market to 6% implying export earnings of US$ 40 billion by 2010. The apparel segment of the value chain, which will drive the growth of Indian textile industry, has the potential to achieve a CAGR of 21%.

(c) The Government has been taking a number of steps from time to time to promote investments, including Foreign Direct Investment, in the textile sector. Some of the important initiatives taken are:

(i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

(ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1.4.1999 to facilitate the modernisation and upgradation of the sector.

(iv) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The Mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.

(v) The Government has launched a Centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.

(vi) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

(vii) The fiscal duty structure has been generally rationalised to acheive growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.

(viii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(ix) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exports, upto 3% of their actual export performance during the previous year.

(x) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training and Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

(xi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.

Plants eligible for TUFS benefits

3083. SHRI S.P.M. SYED KHAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have removed wind mills from the list of plants eligible for availing benefits under Technology Upgradation Funds Scheme (TUFS);

(b) if is, whether this move will put the textile mills in South India to a great disadvantage as Tamil Nadu alone accounts for 57 per cent of the total wind power generated in India which reduces the power cost for textile mills;

(c) the details on (a) and (b) above; and

(d) whether the decision for removal of wind mills from the TUFS will be revised by the Government to encourage growth in textile industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) Yes, Sir.

(b) No, Sir.

(c) The TUFS aims at making available funds to the domestic textile industry for technology upgradation of existing units as well as to set up new units with state-of-the-art technology so that its viability and competitiveness in the domestic as well as international markets may